



**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**[C-580-877]**

**Welded Line Pipe from the Republic of Korea: Preliminary Negative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce

**SUMMARY:** The Department of Commerce (the Department) preliminarily determines that de minimis countervailable subsidies are being provided to producers and exporters of welded line pipe from the Republic of Korea (Korea). The period of investigation is January 1, 2013, through December 31, 2013. Interested parties are invited to comment on this preliminary determination.

**DATES:** *Effective* [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** Rebecca Trainor or Reza Karamloo, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4007 or (202) 482-4470, respectively.

Alignment of Final Countervailing Duty (CVD) Determination With Final Antidumping Duty (AD) Determination

On the same day the Department initiated this CVD investigation, the Department also initiated a CVD investigation of welded line pipe from the Republic of Turkey (Turkey) and AD

investigations of welded line pipe from Korea and Turkey.<sup>1</sup> The CVD and AD investigations cover the same merchandise. On February 27, 2015, in accordance with section 705(a)(1) of the Tariff Act of 1930, as amended (Act), the petitioners<sup>2</sup> requested alignment of the final CVD determination with the final AD determination of welded line pipe from Korea. Therefore, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), we are aligning the final CVD determination with the final AD determination. Consequently, the final CVD determination will be issued on the same date as the final AD determination, which is currently scheduled to be issued no later than July 28, 2015, unless postponed.

#### Scope of the Investigation

The scope of the investigation covers welded line pipe, which is carbon and alloy steel pipe of a kind used for oil or gas pipelines, not more than 24 inches in nominal outside diameter. For a complete description of the scope of the investigation, see Appendix I.

#### Scope Comments

Certain interested parties commented on the scope of the investigation as it appeared in the Initiation Notice. For discussion of those comments, see the Preliminary Decision Memorandum.<sup>3</sup>

#### Methodology

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<sup>1</sup> See Welded Line Pipe From the Republic of Korea and the Republic of Turkey: Initiation of Countervailing Duty Investigations, 79 FR 67419 (November 13, 2014). See also Welded Line Pipe From the Republic of Korea and the Republic of Turkey: Initiation of Less-Than-Fair-Value Investigations, 79 FR 68213 (November 14, 2014).

<sup>2</sup> The petitioners in this investigation are American Cast Iron Pipe Company, Energex (a division of JMC Steel Group), Maverick Tube Corporation, Northwest Pipe Company, Stupp Corporation (a division of Stupp Bros., Inc.), Tex-Tube Company, TMK IPSCO, and Welspun Tubular LLC USA.

<sup>3</sup> See Memorandum from Gary Taverman, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, regarding “Countervailing Duty Investigation of Welded Line Pipe from the Republic of Korea: Decision Memorandum for the Negative Preliminary Determination,” dated concurrently with this notice (Preliminary Decision Memorandum)

The Department is conducting this countervailing duty (CVD) investigation in accordance with section 701 of the Tariff Act of 1930, as amended (the Act). For a full description of the methodology underlying our preliminary conclusions, see the Preliminary Decision Memorandum. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content.

**Preliminary Determination and Suspension of Liquidation**

In accordance with section 703(d)(1)(A)(i) of the Act, we calculated a CVD rate for each individually investigated producer/exporter of the subject merchandise. Consistent with section 703(b)(4)(A) of the Act, we have disregarded de minimis rates and preliminarily determine that countervailable subsidies are not being provided with respect to the manufacture, production or exportation of the subject merchandise. Consistent with section 703(d) of the Act, we have not calculated an all-others rate because we have not reached an affirmative preliminary determination. We preliminarily determine the countervailable subsidy rates to be:

<b>Company</b>	<b>Subsidy Rate</b>
SeAH Steel Corporation	0.52 percent ( <u>de minimis</u> )
NEXTEEL Co., Ltd.	0.47 percent ( <u>de minimis</u> )

Because we preliminarily determine that the CVD rates in this investigation are de minimis, we will not direct U.S. Customs and Border Protection to suspend liquidation of entries of subject merchandise.

#### Verification

As provided in section 782(i)(1) of the Act, we intend to verify the information submitted by the respondents prior to making our final determination.

#### International Trade Commission

In accordance with section 703(f) of the Act, we will notify the International Trade Commission (ITC) of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Enforcement and Compliance.

In accordance with section 705(b)(3) of the Act, if our final determination is affirmative, the ITC will make its final determination within 75 days after we make our final determination.

#### Disclosure and Public Comment

The Department intends to disclose to interested parties the calculations performed in connection with this preliminary determination within five days of its public announcement.<sup>4</sup> Interested parties may submit case briefs, rebuttal briefs, and hearing requests.<sup>5</sup> For a schedule of the deadlines for filing case briefs, rebuttal briefs, and hearing requests, see the Preliminary Decision Memorandum.

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<sup>4</sup> See 19 CFR 351.224(b).

<sup>5</sup> See 19 CFR 351.309(c)-(d), 19 CFR 351.310(c).

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act and 19 CFR 351.205(c).

Dated: March 16, 2015.

**Paul Piquado,**  
*Assistant Secretary*  
*for Enforcement and Compliance.*

## **Appendix I**

### **Scope of the Investigation**

The merchandise covered by this investigation is circular welded carbon and alloy steel (other than stainless steel) pipe of a kind used for oil or gas pipelines (welded line pipe), not more than 24 inches in nominal outside diameter, regardless of wall thickness, length, surface finish, end finish, or stenciling. Welded line pipe is normally produced to the American Petroleum Institute (API) specification 5L, but can be produced to comparable foreign specifications, to proprietary grades, or can be non-graded material. All pipe meeting the physical description set forth above, including multiple-stenciled pipe with an API or comparable foreign specification line pipe stencil is covered by the scope of this investigation.

The welded line pipe that is subject to this investigation is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.11.1030,

7305.11.5000, 7305.12.1030, 7305.12.5000, 7305.19.1030, 7305.19.5000, 7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150. The subject merchandise may also enter in HTSUS 7305.11.1060 and 7305.12.1060. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

## **Appendix II**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Scope Comments
- IV. Scope of the Investigation
- V. Injury Test
- VI. Use of Facts Otherwise Available
- VII. Subsidies Valuation
- VIII. Analysis of Programs
- IX. ITC Notification
- X. Disclosure and Public Comment
- XI. Verification
- XII. Conclusion

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